

## SB0110S01 compared with SB0110

~~{deleted text}~~ shows text that was in SB0110 but was deleted in SB0110S01.

Inserted text shows text that was not in SB0110 but was inserted into SB0110S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Gage Froerer proposes the following substitute bill:

### BOND AUTHORIZATION AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: ~~{ }~~ Gage Froerer

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#### LONG TITLE

##### General Description:

This bill modifies provisions relating to certain bond authorizations.

##### Highlighted Provisions:

This bill:

- ▶ repeals the cap on the costs of issuance, capitalized interest, and debt service reserve requirements for the prison project general obligation bonds;
- ▶ amends language regarding the costs of issuance, capitalized interest, and debt service reserve requirements for certain highway general obligation bonds;
- ▶ amends the bonding authority for certain bonds and specifies how certain bond proceeds shall be used to provide funding for certain projects; and
- ▶ makes technical changes.

##### Money Appropriated in this Bill:

## SB0110S01 compared with SB0110

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**63B-25-101**, as last amended by Laws of Utah 2017, Chapter 89

**63B-27-101**, as enacted by Laws of Utah 2017, Chapter 436

**63B-27-102**, as enacted by Laws of Utah 2017, Chapter 436

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **63B-25-101** is amended to read:

**63B-25-101. General obligation bonds for prison project -- Maximum amount --**

#### **Use of proceeds.**

(1) As used in this section:

(a) "Prison project" means the same as that term is defined in Section 63C-16-102.

(b) "Prison project fund" means the capital projects fund created in Subsection 63A-5-225(7).

(2) The commission may issue general obligation bonds as provided in this section.

(3) (a) The total amount of bonds to be issued under this section may not exceed \$570,000,000, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements~~[, with the total amount of the bonds not to exceed \$575,700,000]~~.

(b) The maturity of bonds issued under this section may not exceed 10 years.

(4) The commission shall ensure that proceeds from the issuance of bonds under this section are deposited into the Prison Project Fund for use by the division to pay all or part of the cost of the prison project, including:

(a) interest estimated to accrue on the bonds authorized in this section until the completion of construction of the prison project, plus a period of 12 months after the end of construction; and

(b) all related engineering, architectural, and legal fees.

(5) (a) The division may enter into agreements related to the prison project before the

## SB0110S01 compared with SB0110

receipt of proceeds of bonds issued under this section.

(b) The division shall make those expenditures from unexpended and unencumbered building funds already appropriated to the Prison Project Fund.

(c) The division shall reimburse the Prison Project Fund upon receipt of the proceeds of bonds issued under this chapter.

(d) The state intends to use proceeds of tax-exempt bonds to reimburse itself for expenditures for costs of the prison project.

(6) Before issuing bonds authorized under this section, the commission shall request and consider a recommendation from the Prison Development Commission, created in Section 63C-16-201, regarding the timing and amount of the issuance.

Section 2. Section **63B-27-101** is amended to read:

**63B-27-101. Highway bonds -- Maximum amount -- Use of proceeds for highway projects.**

(1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed \$1,000,000,000, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements.

(b) When the Department of Transportation certifies to the commission that the requirements of Subsection 72-2-124(5) have been met and certifies the amount of bond proceeds that the commission needs to provide funding for the projects described in Subsection (2) for the current or next fiscal year, the commission may issue and sell general obligation bonds in an amount equal to the certified amount, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements.

(c) The commission may not issue general obligation bonds authorized under this section if the issuance of the general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution, Article XIV, Section 1.

(2) Except as provided in ~~Subsection~~ Subsections (3) and (4), proceeds from the issuance of bonds shall be provided to the Department of Transportation to pay all or part of the costs of the following state highway construction or reconstruction projects:

## SB0110S01 compared with SB0110

(a) state and federal highways prioritized by the Transportation Commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304, giving priority consideration for projects with a regional significance or that support economic development within the state, including:

(i) projects that are prioritized but exceed available cash flow beyond the normal programming horizon; or

(ii) projects prioritized in the state highway construction program; and

(b) \$100,000,000 to be used by the Department of Transportation for transportation improvements as prioritized by the Transportation Commission for projects that:

(i) have a significant economic development impact associated with recreation and tourism within the state; and

(ii) address significant needs for congestion mitigation.

(3) Nineteen million dollars of the bond proceeds issued under this section shall be provided to the Transportation Infrastructure Loan Fund created by Section 72-2-202 to make funds available for a transportation infrastructure loan or transportation infrastructure assistance under Title 72, Chapter 2, Part 2, Transportation Infrastructure Loan Fund, as follows:

(a) ~~[\$10,000,000]~~ \$14,000,000 to the military installation development authority created in Section 63H-1-201; and

(b) \$5,000,000 for right-of-way acquisition and highway construction in ~~Davis County, and~~

~~(c) }~~  Salt Lake County for roads in the northwest quadrant of Salt Lake City.

~~[(c)] (4) (a) [\$4,000,000 for pedestrian access and crossings by]~~ Four million dollars of the bond proceeds issued under this section shall be used for a public transit fixed guideway rail station [and] associated with or adjacent to an institution of higher education.

(b) Ten million dollars of the bond proceeds issued under this section shall be used by the Department of Transportation for the design, engineering, construction, or reconstruction of underpasses under a state highway connecting a state park and a project area created by a military installation development authority created in Section 63H-1-201.

~~[(4)]~~ (5) The bond proceeds issued under this section shall be provided to the Department of Transportation.

## **SB0110S01 compared with SB0110**

~~[(5)]~~1(6) The costs under Subsection (2) may include the costs of studies necessary to make transportation infrastructure improvements, the costs of acquiring land, interests in land, and easements and rights-of-way, the costs of improving sites, and making all improvements necessary, incidental, or convenient to the facilities, and the costs of interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

~~[(6)]~~1(7) The commission or the state treasurer may make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

~~[(7)]~~1(8) The Department of Transportation may enter into agreements related to the projects described in Subsection (2) before the receipt of proceeds of bonds issued under this section.

Section 3. Section **63B-27-102** is amended to read:

### **63B-27-102. Highway bonds -- Maximum amount -- Use of proceeds for Salt Lake County highway projects.**

(1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed \$47,000,000, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements.

(b) When the Department of Transportation certifies to the commission the amount of bond proceeds that the commission needs to provide funding for the projects described in Subsection (2), the commission may issue and sell general obligation bonds in an amount equal to the certified amount, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements.

(c) The commission may not issue general obligation bonds authorized under this section if the issuance of the general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution, Article XIV, Section 1.

(2) (a) Proceeds from the bonds issued under this section shall be provided to the Department of Transportation to pay for or to provide funds to a municipality or county to pay

## **SB0110S01 compared with SB0110**

for the costs of right-of-way acquisition, construction, reconstruction, renovations, or improvements to highways, transportation facilities, or multimodal transportation projects described in Subsection (2)(b).

(b) Bond proceeds described under Subsection (2)(a) shall be used to pay for state and local highway projects or transportation facilities or multimodal transportation projects described in Subsection 72-2-121(4)(c) in Salt Lake County prioritized by the county.

(c) The costs under this Subsection (2) may include the costs of acquiring land, interests in land, and easements and rights-of-way, the costs of improving sites, and making all improvements necessary, incidental, or convenient to the facilities, and the costs of interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

(3) The commission or the state treasurer may make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

(4) The Department of Transportation may enter into agreements related to the project before the receipt of proceeds of bonds issued under this chapter.

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**Legislative Review Note**

**Office of Legislative Research and General Counsel†**